GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:675
ANSWERED ON:27.11.2006
COST OF PRODUCTION OF UREA
Baxla Shri Joachim

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Naphtha, fuel oil and gas are used as fuel for production of urea in the country;

(b) if so, whether the cost of production has been found to be varying based on the fuel used in production;

(c) if so, the details thereof and the production cost of urea produced during 2006- 07; and

(d) the percentage of each of the said fuel being used at present in the country by fertilizer producers?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) & (c) : Natural gas, naphtha, fuel oil (FO) and low sulphur heavy stock (LSHS) are primarily used as feedstock and fuel in the manufacture of urea. Cost of production of urea is, among other things, dependent upon the cost of feedstock and fuel. For gas based units, cost of feedstock constitutes about 60% of the total cost of production of urea, whereas for naphtha and FO/LSHS based units, it is up to 75% of the total cost of production.

In the year 2006-07, the weighted average concession rate of different groups based on concession rates of urea units notified till 20.11.2006 is given below :-

Sl.No.	Group	Provisional weighted average concession price of units in each group (Rs/MT of urea)
1.	Gas - Pre-92	5497
2.	Gas - Post-92	7188
3.	Naphtha - Pre-92	17243
4.	Naphtha - Post-92	12489
5.	FO/LSHS	11430
6.	Mixed	9437
	Total	9480

(d): Percentage of each feedstock and fuel used in manufacture of urea in 2005-06 is as follows:

Gas	Naphtha	FO	LSHS	Coal
57	23	3	10	7